

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF IOWA

IN RE:

DENNIS CLIFFORD BRUCE,

Debtor(s).

CHAPTER 7
CASE NO. 24-00179

MOTION FOR TURNOVER OF
RECORDS AND PROPERTY

COMES NOW Larry S. Eide, the Chapter 7 Trustee and moves the Court for turnover of records and property, and in support thereof, states:

1. This case was commenced on March 4, 2024.
2. The Debtor listed the ownership of a Robinhood brokerage account in the Schedules with a value of \$11,158.76 and states that he does not currently have access to the account.
3. The Debtor explained to the Trustee that access to the account required a two factor authentication which was accomplished by a code sent to the Debtor's email account with his former employer the BDC Group, Inc.
4. The Debtor has also stated to the Trustee that he does not have details regarding the Robinhood account, including the account number, specific investments, etc.
5. The Debtor no longer has access to the email account with his former employer and therefore he cannot access the brokerage account.
6. The Trustee has been unable to locate a telephone number Robinhood.
7. The Trustee was able to locate a customer support email address for Robinhood and the Trustee emailed Robinhood and explained the situation and asked for assistance.
8. Robinhood responded by email stating that they could not provide any access and that the account holder should provide access to me as Trustee.
9. The Trustee responded and advised that by virtue of Bankruptcy Code §541(a) he was now the account holder and the Trustee requested that this matter be referred to the legal department.
10. Robinhood responded again that the Trustee must obtain access through the account holder.

11. Copies of several of the emails exchanged between Robinhood and the Trustee are attached as Exhibit A.

12. Bankruptcy Code §542(a) provides that

[e]xcept as provided in subsection (c) or (d) of this section, an entity, other than a custodian, in possession, custody, or control, during the case, of property that the trustee may use, sell, or lease under section 363 of this title, or that the debtor may exempt under section 522 of this title, shall deliver to the trustee, and account for, such property or the value of such property, unless such property is of inconsequential value or benefit to the estate.

13. Neither Bankruptcy Code §542(c) nor §542(d) are applicable to the brokerage account and its contents.

14. The investments and funds in the Robinhood account are funds that the Trustee can use or sell and therefore Robinhood should be compelled and ordered to provide access to the Debtor's brokerage account to the Trustee for the purpose of liquidating all investments and thereafter withdrawing all funds from the account.

15. The Trustee is creditably informed that the true name of the broker is Robinhood Financial LLC, and that it is a wholly owned subsidiary of the publicly held company Robinhood Markets, Inc. Attached as Exhibit B are several pages from a recent SEC filing showing the name and address of the parent corporation and the LLC.

16. Attached as Exhibit C is a copy of the Information for Law Enforcement Authorities which was obtained on May 24, 2024, from the website of Robinhood. The Trustee will email a copy of this motion as filed to the email address stated in Exhibit C as the correspondence address for all subpoenas or requests (LERRequests@robinhood.com).

17. Robinhood Financial LLC should be ordered to provide the Trustee with access to the Debtor's brokerage account for the purpose of liquidating all investments and thereafter withdrawing all funds from the account.

WHEREFORE, the Trustee requests the Court for an order directing Robinhood Financial LLC to turnover to the Trustee access to the Debtor's brokerage account so that the Trustee can direct the liquidation of all investments and the thereafter the withdrawal of all funds from the account. The Trustee requests such other and further relief as the Court deems just and equitable.

DATED: May 24, 2024

/s/ Larry S. Eide

Larry S. Eide, Trustee (AT0002317)
PO Box 1588
Mason City, IA 50402-1588
Telephone: 641.423.4264

Facsimile: 641.423.3145

Email: eide@pappajohnlaw.com

CERTIFICATION OF SERVICE

The undersigned, Larry S. Eide, certifies that on May 24, 2024, a copy of the foregoing document was filed with the Clerk of Court for the United States Bankruptcy Court for the Northern District of Iowa using the CM/ECF system and was served electronically on those participants that receive service through the CM/ECF system. The undersigned further certifies that the foregoing document was sent to persons or representatives via electronic mail or U.S. Mail postage prepaid as set forth below:

Robinhood Markets, Inc
Attn: An Officer or Managing Agent
85 Willow Rd
Menlo Park, CA 94025

Incorporating Services Ltd.
Registered Agent for Robinhood Markets,
Inc.
3500 S. Dupont Hwy
Dover, DE 19901

Robinhood Financial LLC
Attn: An Officer or Managing Agent
85 Willow Rd
Menlo Park, CA 94025

/s/ Larry S. Eide

Larry S. Eide (AT0002317)

Larry Eide

From: Larry Eide
Sent: Wednesday, May 22, 2024 4:20 PM
To: support@robinhood.com
Subject: Bankruptcy by account holder - I am the Chapter 7 Trustee

A customer of your company with a brokerage account has filed Chapter 7 bankruptcy. I am the Chapter 7 bankruptcy trustee. I need to gain access to the debtor's account and to liquidate the investments and recover the proceeds.

The debtor cannot access his account because his 2 factor identification was through his employer's email and that employer has also filed bankruptcy. The debtor no longer has access to the employer's email system.

Please contact me. If I have not communicated with someone regarding this matter within 7 days, I will involve the bankruptcy court to obtain access. You can then expect to be served with a subpoena for the information.

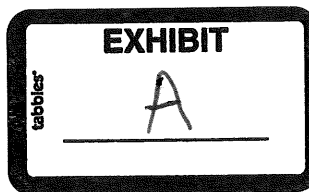
Larry S. Eide, Pappajohn, Shriver, Eide & Nielsen P.C., 103 E. State Street, Suite 800 (zip code 50401), PO Box 1588, Mason City, IA 50402-1588.

Tel. 641.423.4264. Fax 641.423.3145; eide@pappajohnlaw.com

If the purpose of this communication is to collect a debt, any information obtained from you will be used for that purpose. This communication is from a debt collector.

This e-mail communication may contain CONFIDENTIAL INFORMATION which may be subject to ATTORNEY-CLIENT PRIVILEGE and is intended only for use by the individuals or entities named therein. If you are not the intended recipient, or the person responsible for delivering it to the intended recipient, you may not read, copy, use or disclose the contents of this communication to others. Any unauthorized use and/or disclosure of this electronic communication may constitute a federal crime under 18 U.S.C. 2510 *et seq.* which is subject to fine and/or imprisonment. If you have received this electronic communication in error, please notify the sender that you have received this e-mail communication in error by replying to the e-mail or by telephoning (641) 423-4264. Please then delete the e-mail and any copies of it.

Circular 230 Disclosure: Any advice contained in this email (including any attachments), unless expressly stated otherwise, is not intended or written to be used, and cannot be used, for purpose of avoiding tax penalties that may be imposed upon any taxpayer.



Larry Eide

From: noreply@salesforce.com on behalf of Robinhood Support <help@robinhood.com>
Sent: Wednesday, May 22, 2024 4:20 PM
To: Larry Eide
Subject: We received your message



Hello,

Thanks for contacting our support team—we're working to get back to you soon. Sometimes it takes a little longer to gather the necessary information, and we'll respond as soon as we can.

In the meantime, depending on your issue, you may find your answer in another article within our [Help Center](#). If you've already looked through these support articles and didn't find the answer to your question, please look out for a response from us via email. There are also two additional things you can do from here at any point:

- To add more details to your case, please reply to this email.
- If you no longer need a response from us, go ahead and [click here to close your case](#).

Sincerely,

The Robinhood Team

Case Number: 29802400

FOR UK CUSTOMERS:

Larry Eide

From: noreply@salesforce.com on behalf of Robinhood Support <support@robinhood.com>
Sent: Wednesday, May 22, 2024 4:38 PM
To: Larry Eide
Subject: RE: Bankruptcy by account holder - I am the Chapter 7 Trustee



Hi Larry,

Thanks for writing in. This is Rose and I hope this email finds you well.

To protect our customers, it is our strict policy to only speak with account holders regarding their accounts.

If you are reaching out on behalf of another individual, we ask that the owner of the account [reach out to us directly here](#).

We look forward to speaking with you and answering any questions you have.

Kind regards,
Rose

Case ID: 29802400

The brokerage cash sweep program is an added feature to your Robinhood Financial LLC brokerage account. Interest is earned on uninvested cash swept from your brokerage account to program banks. The Annual Percentage Yield (APY) paid by program banks is 1.5% as of August 11, 2023. APY might change at any time at the program banks' discretion. Neither Robinhood Financial LLC nor any of its affiliates are banks.

Options trading entails significant risk and is not appropriate for all investors. Certain complex options strategies carry additional risks. To learn more about the risks associated with options, please review the options disclosure document titled [Characteristics and Risks of Standardized Options](#) before you begin trading options.

Commission-free trading of stocks, ETFs and options refers to \$0 trading commissions at Robinhood. Other fees may apply. Please see Robinhood Financial's [Fee Schedule](#) to learn more.

Larry Eide

From: Larry Eide
Sent: Wednesday, May 22, 2024 4:43 PM
To: Robinhood Support
Subject: RE: Bankruptcy by account holder - I am the Chapter 7 Trustee

By virtue of Bankruptcy Code Section 541(a), the bankruptcy estate is the owner of all interests in property owned by the debtor at the commencement of the case. The debtor has no continuing ownership interest in the account. So, I am the account owner.

The debtor has a duty to cooperate with me as trustee but I question whether he has the duty to contact you for me. In fact, I do not want that to occur as the account funds belong to the bankruptcy estate and I do not wish to afford the debtor any means to gain access to the funds.

I suggest that you might elevate this request to a supervisor or your legal department.

From: noreply@salesforce.com <noreply@salesforce.com> **On Behalf Of** Robinhood Support
Sent: Wednesday, May 22, 2024 4:38 PM
To: Larry Eide <eide@pappajohnlaw.com>
Subject: RE: Bankruptcy by account holder - I am the Chapter 7 Trustee

Robinhood 

Hi Larry,

Thanks for writing in. This is Rose and I hope this email finds you well.

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If you are reaching out on behalf of another individual, we ask that the owner of the account [reach out to us directly here](#).

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Larry Eide

From: noreply@salesforce.com on behalf of Robinhood Support <support@robinhood.com>
Sent: Wednesday, May 22, 2024 9:39 PM
To: Larry Eide
Subject: RE: Bankruptcy by account holder - I am the Chapter 7 Trustee



Hi there,

It's great to hear back from you! I hope you are doing well and staying safe. Mayuki here and I'll gladly further assist you!

In line with your concern, We will not be able to assist you or disclose any account information since you mentioned that you're not the account holder. I highly suggest you reach out to the account holder directly for the liquidation.

I really do appreciate your patience through all of this. Should you have any other questions, please feel free to include them in your response. I'd gladly answer them for you.

Thank you for supporting Robinhood. Have a great day!

Sincerely,
Mayuki

Case ID: 29802400

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2024

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-40691

Robinhood Markets, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

46-4364776

(IRS Employer
Identification No.)

85 Willow Rd
Menlo Park, CA 94025

(Address of principal executive offices, including zip code)

(844) 428-5411

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Class A Common Stock \$0.0001 par value per share	HOOD	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

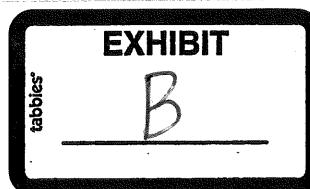
Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒
As of May 2, 2024, the numbers of shares of the issuer's Class A and Class B common stock outstanding were 754,859,894 and 123,976,064.



ROBINHOOD MARKETS, INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

NOTE 1: DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Robinhood was incorporated in the State of Delaware on November 22, 2013. Our most significant, wholly-owned subsidiaries are:

- Robinhood Financial LLC ("RHF"), a registered introducing broker-dealer;
- Robinhood Securities, LLC ("RHS"), a registered clearing broker-dealer;
- Robinhood Crypto, LLC ("RHC"), which provides users the ability to buy, sell, and transfer cryptocurrencies and is responsible for the custody of user cryptocurrencies held by users on our RHC platform;
- Robinhood Credit, Inc. ("Robinhood Credit"), which offers credit cards with certain rewards offerings; and
- Robinhood Money, LLC, which offers a spending card and a spending account that help customers invest, save, and earn rewards.

Acting as the agent of the user, we facilitate the purchase and sale of options, cryptocurrencies, and equities through our platforms by routing transactions through market makers, who are responsible for trade execution. Upon execution of a trade, users are legally required to purchase options, cryptocurrencies, or equities for cash from the transaction counterparty or to sell options, cryptocurrencies, or equities for cash to the transaction counterparty, depending on the transaction. We facilitate and confirm trades only when there are binding, matched legal obligations from the user and the market maker on both sides of the trade. Our users have ownership of the securities they transact on our platforms, including those that collateralize margin loans, and, as a result, such securities are not presented on our unaudited condensed consolidated balance sheets, other than user-held fractional shares which are presented gross. Our users also have ownership of the cryptocurrencies they transact on our platforms (none of which are allowed to be purchased on margin and which do not serve as collateral for margin loans), however, following our adoption of SEC Staff Accounting Bulletin 121 ("SAB 121"), we recognize a liability to reflect our safeguarding obligation along with a corresponding asset on our balance sheet related to the cryptocurrencies we hold in custody for users.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP") and pursuant to the rules and regulations of the SEC for interim financial reporting. The condensed consolidated financial statements are unaudited, and in management's opinion, include all adjustments, including normal recurring adjustments and accruals necessary for a fair presentation of the results for the interim periods presented. Operating results for the periods presented are not necessarily indicative of the results that may be expected for the full fiscal year ending December 31, 2024 or any future period. These unaudited condensed consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements and notes included in our Annual Report on Form 10-K for the year ended December 31, 2023 ("2023 Form 10-K").

There have been no material changes in our significant accounting policies as described in our audited consolidated financial statements included in our 2023 Form 10-K, other than as disclosed below. The unaudited condensed consolidated financial statements include the accounts of RHM and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated.

Information for Law Enforcement Authorities

The following operational guidelines are for law enforcement officials or authorized government agencies seeking certain records from Robinhood Markets, Inc. ("RHM"), including any of its affiliates (Robinhood Financial LLC ("RHF"), Robinhood Securities, LLC ("RHS"), Robinhood Money, LLC ("RHY"), or Robinhood Crypto, LLC ("RHC")) (collectively, "Robinhood").

Robinhood appreciates the work of authorized government agencies and law enforcement authorities around the world to keep people and communities safe. Upon receipt, Robinhood is prepared to review, validate, and respond to law enforcement requests based on applicable law and policy. This information may be updated at any time.

For information regarding civil requests, please see the Civil Requests Section below.

Submission of Law Enforcement Requests

To ensure a timely response by Robinhood, law enforcement authorities and authorized government agencies should send all subpoenas or requests to LERequests@robinhood.com. Please do not send law enforcement inquiries to Robinhood Support or any other channel not intended for law enforcement. If you do so, you should expect longer response times.

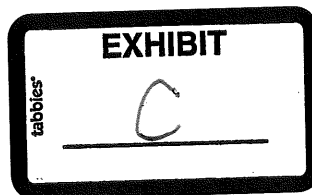
Acceptance of legal process through the LERequests@robinhood.com email is for convenience purposes only. Robinhood does not waive, and does not intend to waive, any potentially applicable objections, including lack of jurisdiction or proper service. Robinhood will not respond to correspondence sent by non-law enforcement officials sent to the email address above.

United States Legal Process Requirements

Robinhood discloses account records in accordance with its Privacy Policy, RHF and RHS Financial Privacy Notice, RHF-RHS Customer Agreement, Terms and Conditions, and applicable law. Under U.S. law, a valid subpoena or document request issued by an authorized government agency or law enforcement official is required to compel the disclosure of account or customer information.

Robinhood will search for and disclose information that is specified with particularity in an appropriate form of legal process and which we are reasonably able to locate and retrieve. As stated in our Privacy Policy and RHF and RHS Financial Privacy Notice, we may collect, use, preserve, and disclose customer or account information if we believe that it is reasonably necessary or required by any applicable law, legal process, court order, or legal investigation, or to protect and defend the rights, interests, safety, and security of Robinhood, our users, or the public.

Form of Requests



We will be unable to process overly broad or vague requests. All requests must identify the requested records with particularity and include the following information:

- The name of the issuing authority, badge or ID number of responsible agent, email address from a law enforcement domain and direct contact phone number; and
- The Robinhood account number.

Robinhood exercises reasonable efforts to respond in a timely manner to subpoenas that are validly issued and served in full compliance with applicable law. Responses can take approximately 30-45 days from receipt to complete depending on the complexity of your request. For a quicker response, please (i) limit the scope of your subpoena to only those records necessary for your legal matter; (ii) identify, if possible, the applicable Robinhood entity(ies) to whom your request is directed; and (iii) ensure your subpoena clearly lists uniquely identifying information, such as an account number or social security number.

Notification

Robinhood reserves the right to notify customers who use our services of requests for their information prior to disclosure, unless we are prohibited by law from doing so or in exceptional circumstances, emergencies, or when notice would be counterproductive.

Testimony

Robinhood does not provide expert testimony support. Robinhood records are self-authenticating pursuant to law and should not require the testimony of a records custodian. If a special form of certification is required, please attach it to your subpoena or document request.

Fees for Compliance

Robinhood reserves the right to charge reasonable administrative fees (unless otherwise prohibited by law) for the production of documents in response to any subpoena. Such fees apply on a per account basis. We may also charge additional fees for costs incurred in responding to unusual or burdensome requests. Robinhood reserves the right to waive such fees in matters investigating potential harm to Robinhood, its customers, and emergency requests.

Levies, Garnishments, and Seizures

For information on law enforcement or government requests that involve the turnover of funds such as a tax levy, garnishment, or seizure, please email your inquiry to accountrestraints@robinhood.com and it will be processed. Robinhood will not respond to correspondence sent by non-law enforcement officials sent to this email address.

Civil Requests

Civil requests and debt collection firms should serve Robinhood through its registered agent:

Incorporating Services Ltd.
3500 S. Dupont Hwy
Dover, DE 19901

Updates to the Guidelines

Robinhood may update this information periodically. Please consult the guidelines before making any request.